

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

Laredo National Bancshares Inc., et al.,	)	Civil Action No. 1:00 CV 2081
	)	
Plaintiffs,	)	Judge Lesley Brooks Wells
	)	Magistrate Judge Nancy Vecchiarelli
vs.	)	
	)	
Donald E. Schulz, et al.,	)	<b>Plaintiffs' Sur-Reply to Defendant's</b>
	)	<b>Reply to Plaintiffs' Brief In Opposition</b>
Defendants.	)	<b>to Defendant Schulz' Motion to Add</b>
	)	<b><u>New Party Plaintiff</u></b>

**Preliminary Statement**

Schulz' reply contains numerous incorrect statements of fact that must be corrected.

**Analysis**

Defendant's reply brief includes numerous factual misstatements regarding the relationship between Carlos Hank Rhon, Laredo National Bancshares, Inc.(LNBI), and Laredo National Bank (LNB).

Schulz' reply argues that Carlos Hank Rhon is an officer and controlling owner of a U.S. corporation-- LNBI (p.2); has a direct financial interest in LNBI and LNB (p.2); is the controlling owner, head and leader of LNBI (p.3); and is the controlling owner and Chairman of the Board of LNB (p.4). None of these assertions are accurate.

Mr. Hank is not and has never been an officer of LNB or LNBI. Nor is he the controlling owner of LNB or LNBI. The controlling owner of LNBI is Incus, Ltd., of which Mr. Hank owns all of the outstanding shares. Mr. Hank has never been a Director or the Chairman of the Board of LNB. He formerly served as the Chairman of the Board of LNBI, a Texas corporation. However, this was a non-executive position and Mr. Hank assumed no management duties. Mr. Hank has no direct financial interest in LNBI or LNB. See Affidavit of Joaquin G. Cigarroa, III, attached hereto and incorporated herein by reference.

Defendant Schulz' reply brief does not contain any case law citations. Therefore, plaintiffs will not re-brief the legal issues which are comprehensively set forth in plaintiffs' brief in opposition. The lack of case law citations by defendant Schulz is a further indication of the lack of merit of the arguments he presents.

### **Conclusion**

For the reasons set forth herein, and in plaintiffs' brief in opposition to the motion to add new party plaintiff, plaintiffs respectfully request this Court to deny defendant's motion to add new party plaintiff.

Respectfully submitted,

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**Certificate of Service**

A copy of the foregoing Plaintiffs' Brief in Support of Motion for Leave to File *Instantly* a Sur-Reply to Defendant's Reply to Plaintiffs' Brief in Opposition to Defendant Schulz Motion to Add New Party Plaintiff was filed electronically. Notice of this filing will be sent to all parties by operation of the Court's electronic filing system on this the 13<sup>th</sup> day of July, 2001. Parties may access this filing through the Court's system.

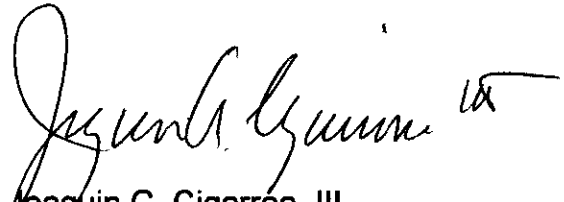
s/ Patrick M. McLaughlin  
Patrick M. McLaughlin



factual errors concerning the relationships between LNBI, LNB and Carlos Hank Rhon ("Mr. Hank").

4. Mr. Hank is not now and has never been an officer of LNBI or LNB.
5. Mr. Hank is not now and has never been a director of LNB.
6. Mr. Hank was a director of LNBI but is not presently a director of LNBI.
7. Assuming Schulz is referring to LNBI as "a U.S. corporation," Incus, Ltd. is the controlling shareholder.
8. Incus, Ltd owns 71% of LNBI.
9. Mr. Hank owns 100% of Incus, Ltd.
10. Mr. Hank is not individually a shareholder in LNB or LNBI.
11. Mr. Hank has never been the Chairman of the Board of LNB, rather he was previously Chairman of the Board of LNBI, a Texas corporation, which was a non-executive position and assumed no management duties.
12. Mr. Hank has no direct financial interest in LNB and LNBI.

FURTHER AFFIANT SAYETH NAUGHT.

  
Joaquin G. Cigarroa, III

SWORN TO BEFORE ME and subscribed in my presence, this the 12<sup>th</sup> day of July, 2001.

Notary Public



